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Wrestling mania: merchandising The Hulk
CSA's Christmas picks

Chain Store Age

GENERAL MERCHANDISE TRENDS September 1985

Squeezing more dollars out of

VENDORS

Some vendors don't like it. They say cutting deals with discounters used to be simpler. But lately discounters have been buying more like department stores, demanding more ad dollars and other allowances.

TWO DOLLARS PER ISSUE

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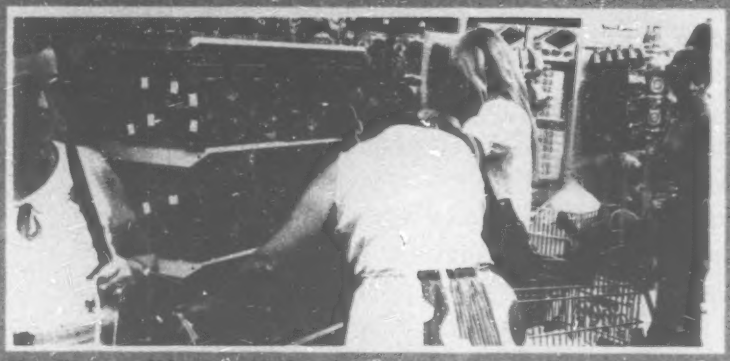
New licenses show some sales muscle

The appearance at store level of merchandise representing 1985's major new licenses is beginning to reshape the toy business, according to *Chain Store Age*'s ongoing poll of toy buyers.

Although the same five licenses remain atop the poll, which measures the fastest growing properties and those showing the most decline in sales, sales of several new properties appear to be cutting into the market share of category leaders. Among the new properties garnering mentions in the most recent survey are Voltron, Wuzzles and Stomper Bully Monster.

The popularity of these items seems to be having its greatest effect on Rainbow Brite and My Little Pony. Rainbow Brite remains among



New licenses did not dent sales of enormously popular Transformers.

the top five licenses, but it received fewer votes this month and even showed up on one buyer's list of the five most rapidly declining properties.

The list of licenses showing the most sales decline also remained virtually unchanged. The one major move on that list is Get Along Gang, which bolted up to the No. 2 spot, behind A Team and tied with Star Wars.

The *CSA* poll is sent to toy buyers at the top 100 general merchandise chains, including discount stores, department stores and specialty stores. Numbers listed in parentheses below indicate a license's place on last month's chart.

Showing most growth:
1. *Transformers (1)*
2. *Masters of the Universe (5)*
3. *Cabbage Patch (3)*
4. *GoBots (2)*
5. *Rainbow Brite (4)*

Showing most decline:
1. *A Team (1)*
2. *Star Wars/Jedi (2)*
3. *Get Along Gang (5)*
4. *Knight Rider (4)*
   Strawberry Shortcake (3) □

Room to retail in Chicago's Loop

With suburban shopping mall development slowing considerably, interest in downtown retailing continues to grow.

A study done by Real Estate Research for Chicago recently found that the city's North Loop could suport up to 575,000 sq. ft. of additional retail space, provided that a department store could be secured as an anchor for the area. That optimistic assessment of the North Loop is due in part to the increasing success of retailers currently operating in and around the area.

"Many chains told us that their downtown Chicago stores were among their most profitable," says Ann Morrow, investment analyst with Real Estate Research. The firm studied some 30 downtown retailers, including Marshall Field, Carson Pirie Scott and Crate & Barrel.

The study also found that the type of retailers which would thrive in the North Loop would be upscale, contrary to many popular notions about the area. The area's potential would be greatest for apparel retailers, restaurants, and stores selling home furnishings.

"Chicago's residential base is growing, and the city's downtown has a large professional workforce," says Morrow. Both factors would make upstairs retailing most viable in the North Loop.

The redevelopment of the North Loop is expected to begin soon, but it will be at least three years before new retail space starts opening there.

Will less be more for May-Cleveland?

May Co.'s Cleveland division is reducing the amount of retail space it operates by leasing square footage in its stores.

Some 300,000 sq. ft. have already been leased in the division's downtown Cleveland store. Three floors of that store have been turned into offices being rented by a local bank and other businesses.

May is also putting up for rent some 65,000 sq. ft. of space in its University Heights store, where a 10,800-sq.-ft. restaurant will also be rented out; 20,000 sq. ft. in a store in Euclid Mall, and 20,000 to 30,000 sq. ft. in the store located in the Southgate Shopping Center. Another floor of the downtown store, representing 90,000 sq. ft. of space, is also for rent.

May currently operates 10 stores in northern Ohio. The average size of its stores there is 270,000 sq. ft., although the chain has said that were it to build stores today it would like them to be about 200,000 sq. ft.

In downsizing several stores May hopes to boost sales per square foot, which are running about $82 per square foot in the Cleveland division. That compares with sales per square foot of $106 throughout all of the 11 department store divisions operated by May.

CITIZEN BAND RADIOS POISED FOR COMEBACK

Renewed interest in CB radios has electronics retailers pleasantly surprised. The new customer is more likely to drive a Saab than a pick-up truck.

A customer approaches the car stereo salesman at The Federated Group's San Jose, Calif. store, asks a brief question, then turns and leaves the store.

"That's frustrating, and it's happened a couple of times now," the salesman says. "You'd think that with the thousands and thousands of sku's in this store that we'd have at least one CB radio—we don't."

The heyday of the CB radio has come to an end. Citizen's Band made its debut in 1958, but it was the shock of 1973's gasoline shortage that spurred the market to its greatest heights. In 1976 retail sales soared to an estimated 11 million-13 million units.

A whole new lexicon grew out of the craze with CB enthusiasts creating colorful "handles" for themselves as they strategized over the airwaves on how best to avoid "smokey." Hollywood even romanticized CB's macho trucker image with stars like Kris Kristofferson in *Convoy* and Burt Reynolds in *Smokey and the Bandit*.

So many were turned onto the fad that the Federal Communications Commission was jammed with requests for CB operator licenses. The airwaves themselves were so filled with chatter that the FCC increased the number of CB channels to 40.

Then, as quickly as it all had started, the CB phenomenon screeched to a halt. When consumers stopped buying, more and more retailers opted to pull out of the business.

Those that stayed in reduced their commitment. Radio Shack, for example, which in 1977 carried a total of 11 CB models (not including walkie-talkies), has shrunk its assortment to seven units in its most recent catalog.

More women are buying CB radios now than ever before.

But despite the end of the craze, CBs have not yet been relegated to the closet along with the hoola hoop and the mood ring. Retail sales in 1985 will top an estimated $105 million with over 1.2 million units sold. Projections for 1986 estimate sales growing a healthy 20% to 1.47 million units.

While still a far cry from the boom days of a decade ago, more CB radios will sell at retail this year than will compact disc players, one of 1985's most watched and most touted products.

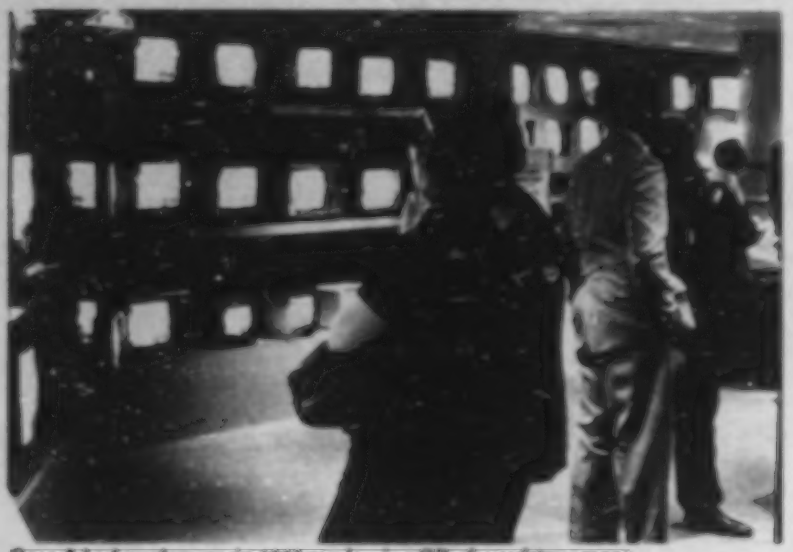
"It's a good business," says Radio Shack merchandising vp Robert Miller. "There's been growth, but not a boom."

Though industry estimates put last year's sales gains at under 10%, a number of retailers who have retained a commitment to the business are reporting gains of over 100%. Discounter Wal-Mart, electronics specialist Circuit City and Sears are all reported to be posting phenomenal year-to-year increases in the category.

In the last five years Sears has shown no indication of abandoning Citizen's Band. Its 1980 Fall/Winter catalog featured four Sears brand CBs and one Midland, ranging from $49.95 to $138.95.

In the 1985 Fall/Winter catalog, the retail giant continues to show five units opening at $69.99 and moving up to $149.99 at the top. The only difference is that Sears has dropped its private label CB from the catalog and now goes with four Midland units and a single Uniden model.

Second chance: After years of decline, the CB radio now seems poised to make a comeback, much to the relief of manufacturers that watched their sales drop along with declining consumer interest.



Over 3 in 4 customers in 1985 are buying CBs for safety reasons.

"I don't know many markets that get a second go around," says Midland vp marketing John Chase.

The reason for CB's rebirth, according to Chase, is a whole new marketing approach to the category which abandons CB's trucker image of the 1970's and seeks an entirely new customer.

Midland market research indicates that the CB's new customer has come a long way from the blue-collar consumer who led the boom a decade ago. In fact, says the research, the 1985 CB radio customer looks a lot more like the customer for a compact disc player or a video cassette recorder than he does the trucker who bought in 1976.

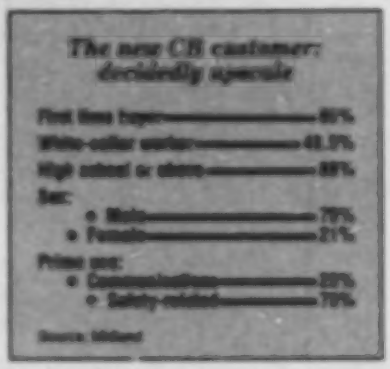
Of those who express an interest in buying a CB radio, the Midland research sample shows that 48.5% are white-collar workers. Average income totals a respectable $37,500, and 68% report an education at the high school level or above.

The potential market is still predominately male (79% to 21%), but even this represents a dramatic shift from the 1970's when men outnumbered women by a whopping 19 to 1. And of the men who purchase CBs in today's market, nearly 1 in 3 is now buying as a gift or for use by a woman.

For what many consider a mature product category driven primarily by replacement, one of the Midland study's most surprising results shows that 65% of all CB radio customers are not replacing older units, but are first time buyers.

What drives the new market?: Most in the industry cite a change in what consumers expect out of CB. The trucker who bought in the 1970's to communicate with other truckers is being replaced by a suburbanite who has little or no interest in communicating with other motorists—except, that is, in an emergency. Over 3 in 4 customers in 1985 are buying for safety reasons.

The new CB customer: decidedly upscale



The new buyer may never listen to the colorful chatter of erstwhile truckers that fed the market a decade ago, but he—and increasingly, she—wants the security of being able to call for help over CB's police and volunteer monitored Channel 9 in case of a roadside emergency.

"It's becoming more like a spare tire than a communications device," says Midland's Chase. "You hope that you never use it, but you're glad to know it's there if you ever need it."

The changeover in marketing direction for CBs opens a broader, and potentially more lucrative, market for Citizen's Band. Industry estimates project that marketed solely as a communications device, CB radio's maximum household penetration would not top 20%, a total reached during the 1970's boom.

However, positioned as a safety-related device, industry projections are that maximum household penetration could eventually near 50%, creating a whole new growth path for Citizen's Band.

The marketing turnaround is already showing some effects. For the period between 1978 and 1983, rural markets showed the strongest sales. Now metropolitan markets again are beginning to turn in the greatest sales gains in the category.

And CB's positioning as a protection device has peaked consumer interest among another buying group left largely behind in the earlier go around—senior citizens. While the greatest interest in CBs is still centered in the 25-45 age group, the over 60 bracket now represents the second largest buying segment. Retailers using CBs on silver bonus coupon-type promotions are finding them effective.

New questions: Changes in the potential customer are raising new questions for retailers wishing to cash in both on the CBs new found growth and its 30% margins: where, when and how to merchandise Citizen's Band.

As to where CBs should be merchandised, major retailers are split. Sears puts Citizen's Band in its electronics department where it fits in neatly with the demographics of other high-tech products. Wal-Mart, on the other hand, merchandises CBs in automotive, where it can fully utilize the "spare tire" concept. Both make sense, and both are achieving success.

"Who am I to say that if Sears put CBs in automotive and Wal-Mart put them in electronics that they would do as well," asks Midland's Chase. "Why tinker with success?"

Though Citizen's Band is proving to be a year-round business, two months—June and December—take a disproportionate share for different reasons. Twelve per cent of sales come in June, while another 11.7% sell in December.

CBs bought in June are primarily used by the customer who actually buys the product, while December sales are usually as gifts for someone else. Advertising and promotion that distinguishes between the two seasons have proven effective.

How to merchandise Citizen's Band has also become a new question with the change in the consumer profile. For the new upscale customer the average $96 retail price tag falls well within the realm of impulse buying. To take full advantage, retailers will have to work out better programs with vendors that take CBs out from behind locked glass cases and still minimize shrinkage.

What's next for Citizen's Band? The introduction of style into design, for one. The new customer is more likely to be driving a BMW or a Saab than a 1973 Chevy pickup, and will be looking for a product with a design flare that fits an upscale image.

"With more and more women buying, maybe we should begin thinking about CBs in reds and pinks or yellows and blues," says Chase. Outlandish? Perhaps. But he is only half joking. □

Platt Music: The retailer as publisher

An innovator in marrying retailing and publishing, Platt's Arnone builds sales for his CE departments.

A Platt Music supplement promotes Tomorrow's World at Bloomingdale's.

The ability to steal a good idea, according to some, is at the core of genius. If you can steal an idea from yourself—and sell it—then maybe Einstein himself had better make room for yet another in the pantheon of geniuses. The newest candidate just may be Torrance, Calif.-based Platt Music's Francis Arnone.

While chairman/ceo at The Broadway Southern California, Arnone had an idea: Why shouldn't the Carter Hawley Hale department store create its own Sunday newspaper supplement?

Arnone's championing of his brainchild resulted in the birth two years ago of *The Broadway Is Southern California*, a weekly eight-page supplement to the *Los Angeles Times*, *The San Diego Union* and *The Orange County Register*.

The formula is simple enough: A four-color, fashion-oriented cover, six pages divided approximately one-fourth to breezy editorial, three-fourths to advertising and a four-color back page ad.

The simple idea has been a resounding success. The Broadway's market research shows that Arnone's original plan has worked, perhaps beyond his initial expectations. The supplement reaches a circulation that approaches two million southern Californians.

Research reveals a 70% readership for the magazine-type supplement ads—more than ROP ads get. In addition, consumers are keeping the supplement, and its advertising, for an average of two to three days after the publication date, according to The Broadway's research.

Controlled studies further indicate that products advertised in the supplement nearly always outperform the same products promoted by ROP.

Arnone left The Broadway for Platt Music, operator of leased consumer electronics departments in the May Co., Bloomingdale's, Emporium Capwell and Marshall Field.

Beginning Aug. 9 in some markets, and Aug. 11 elsewhere, Platt introduced its own weekly Sunday magazine supplement. The four-page, four-color magazine is called *Future Generation* (in New York, the magazine bears the title *Tomorrow's World*, corresponding to the name of Bloomingdale's electronics department).

Taking The Broadway's idea more than a step further, *Future Generation* appears as a magazine supplement to 35 newspapers in the far-flung markets in which Platt operates. The combined circulation is approximately 15 million, with a potential reach of more than 50 million readers.

"It's an ambitious project," says Platt's vp of marketing/promotion, Gerald Baggs. "It's the first time there's been such a focused advertising campaign by a retailer."

Unlike The Broadway's magazine, which promotes numerous departments in the store, *Future Generation* advertises only those products in Platt's lease-operated electronics departments.

Each of the initial issues has featured two regular columns and a third article which rotates among topics. The columns, State Of The Art and The Cutting Edge, report on consumer electronics trends and trends in movies, videos and other contemporary topics. Platt has promised its reporters complete editorial control.

The scope in size of the project is reflected in vendor response, says Baggs. He reports that many manufacturers are devoting co-op dollars from their national, not local, advertising budgets for the project.

"It's our first significant competition. And it will be interesting to watch," says Karen Anderson, editor at *The Broadway Is Southern California*. "It's a little like Platt has become [publishing magnate] Rupert Murdoch."

Though it is still too early to tell if Platt's magazine will prove as successful as The Broadway's, Baggs is optimistic. "We look at history as a collection of mistakes and successes," he says. "We'd rather follow the successes." □

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Video customers want better sound, too

Sales of stereo televisions will grow from an estimated $371 million this year to $4.1 billion in 1990, according to Venture Development Corporation, a Natick, Mass.-based market research firm. Hi-Fi video cassette recorders will also be in on the boom, growing from a $200 million industry in 1985 to $2.4 billion in the next five years.

According to a recent study by Venture Development, the introduction of stereo broadcast television has the potential to dramatically change the market for conventional audio and video products. While the market research firm expects the greatest increases for stereo TVs and Hi-Fi VCRs, also tagged for growth are audio/video receivers, component video systems and integrated audio/video systems.

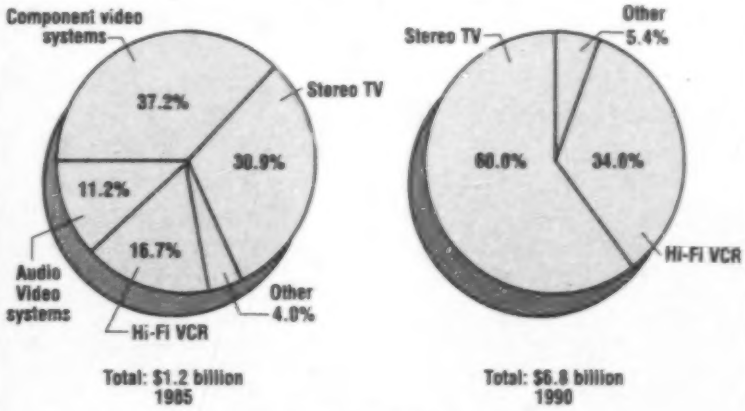
The total market for all home audio/video equipment, both stereo and mono, will grow at an average rate of 37.8%, from $10.4 billion in 1985 to $51.8 billion in 1990, according to the report. Within this market, though, stereo video products will show the most rapid sales growth.

Only 4.3% of televisions shipped to dealers this year will be stereo TVs; however, by the end of the decade Venture Development projects that stereo TVs will account for about one-third of all televisions sold.

The challenge in the 1980's, says the market research firm, is limited availability of stereo TV programming in selected television markets, making viewers reluctant to purchase stereo TV receivers in the face of little or no broadcast programming.

Stereo video to top $6.8 billion in 1990

Stereo video market share by product



Source: Venture Development Corporation

Luskin's increases Ohio penetration

Cash-rich from a public offering, Luskin's, the Baltimore-based chain of specialty electronics stores, is expanding rapidly into Ohio.

The chain plans to open five new Ohio stores, including two in Cleveland, two in Akron and a single unit in Canton. That will give Luskin's 11 Ohio stores. It already operates six in Cleveland.

Luskin's remains primarily a mid-Atlantic retailer, even with the proposed Ohio openings. The chain operates 26 stores in the Baltimore-Washington market, including a new consumer electronics, major appliance outlet in Manassas, Va. Its next store will be in its home city, Baltimore, where it is opening a unit in the city's Security Mall.

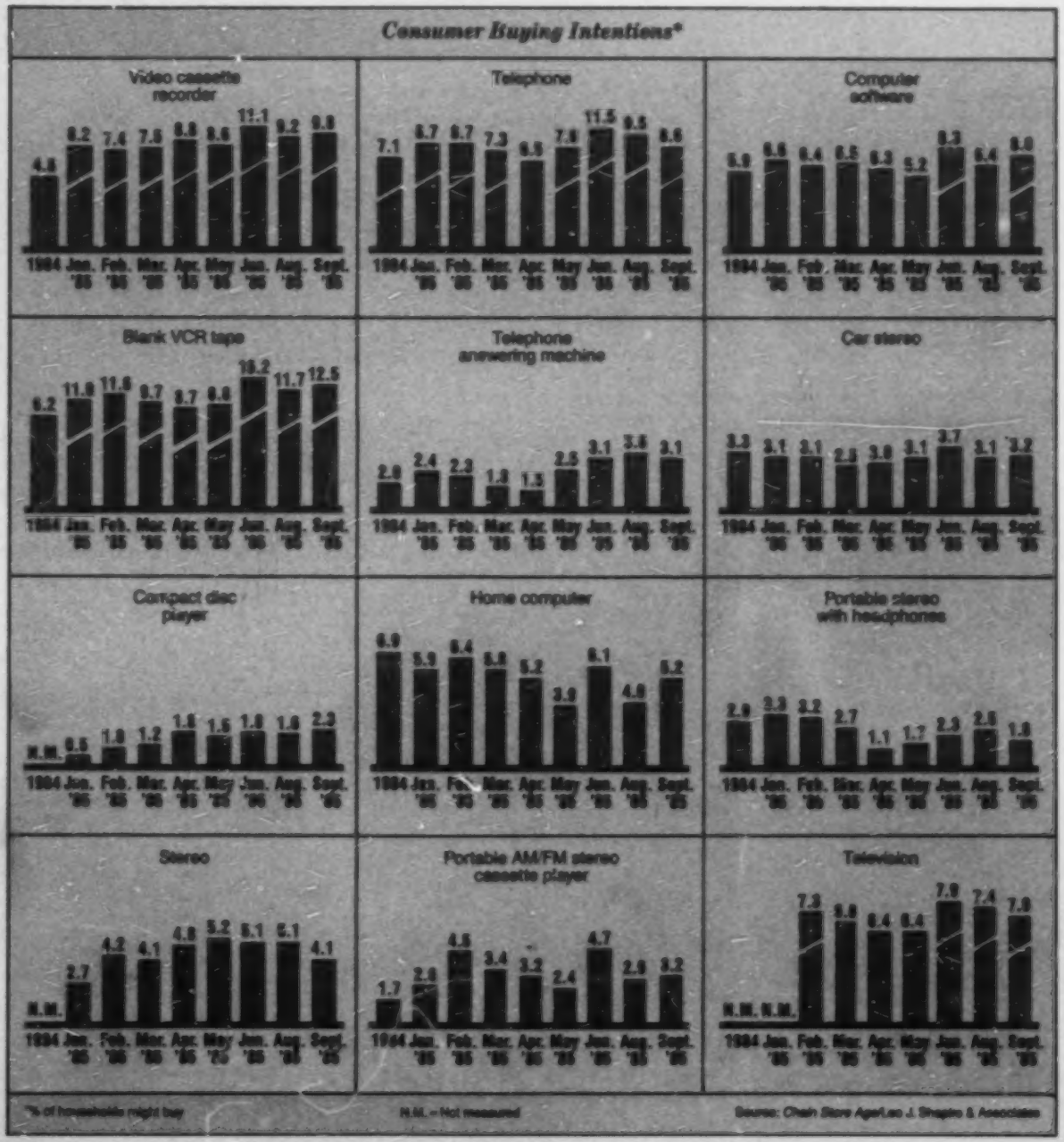
Electronics shopping intensifies

Consumers are shopping like there is no tomorrow. For 9 of the 12 electronics products tracked in the September MarkeTrends survey, the number of households actively shopping has grown. In an increasingly competitive and price promotional atmosphere, however, there may virtually be no tomorrow for last year's margins.

Eight out of 10 households that expect to buy a video cassette recorder in the next year report they have been actively shopping in the last month. According to the MarkeTrends poll, nearly six million households—a number almost equal to all of 1984's sales—say they are now actually shopping for a VCR.

For computer software, headphone stereos, televisions, compact disc players and telephone answering machines, more than 2 in 5 households that say they expect to buy in the next year also report that they have begun shopping in the past month.

Over 1 in 3 consumer households that say they anticipate buying stereo systems and home computers in the next 12 months say they have taken some initial steps toward their purchase in the last 30 days. □


Consumer Buying Intentions*
Video cassette recorder
4.8 8.2 7.4 7.8 8.8 8.6 11.1 9.2 9.8
Telephone
7.1 8.7 8.7 7.3 6.5 7.8 11.5 9.5 8.6
Computer software
6.0 6.6 6.4 6.5 6.3 5.2 8.3 6.4 8.0
Blank VCR tape
6.2 11.0 11.6 9.7 9.7 9.8 13.2 11.7 12.5
Telephone answering machine
2.0 2.4 2.3 1.8 1.5 2.5 3.1 3.6 3.1
Car stereo
3.3 3.1 3.1 2.5 3.0 3.1 3.7 3.1 3.2
Compact disc player
N.M. 0.5 1.0 1.2 1.8 1.5 1.8 1.8 2.3
Home computer
6.9 5.9 6.4 5.8 5.2 3.9 6.1 4.8 5.2
Portable stereo with headphones
2.0 2.3 2.2 2.7 1.1 1.7 2.3 2.5 1.8
Stereo
N.M. 2.7 4.2 4.1 4.8 5.2 5.1 5.1 4.1
Portable AM/FM stereo cassette player
1.7 2.6 4.5 3.4 3.2 2.4 4.7 2.9 3.2
Television
N.M. N.M. 7.3 8.8 8.4 8.4 7.9 7.4 7.9
1984 Jan. '85 Feb. '85 Mar. '85 Apr. '85 May '85 Jun. '85 Aug. '85 Sept. '85
*% of households might buy
N.M. – Not measured
Source: Chain Store Age/Leo J. Shapiro & Associates

Car stereo sales sound pretty good

***Better sound is what** consumers are willing to pay for in car stereos.*

Discounters are stealing car stereos—not by cover of night with burglar's tools, but quite legitimately by grabbing an increasing share of the auto stereo aftermarket. In only 13 months discount outlets have upped their market share 73% from 8.8% of units sold in the August 1984 MarkeTrends poll to 15.2% in the most recent study.

Also posting gains are car audio specialists, which increased their share of unit sales from 13.8% to 17.4%, and department stores, which grew from 1.3% in 1984 to 4.5% in the September MarkeTrends survey. The gains come at the expense of A-V specialists, which have seen their market share fall from 45.3% to 38.2%.

Consumers may be buying car stereos with increasing frequency at discount outlets, but that doesn't mean that they expect to pay any less. In fact, price expectations for those who intend to buy have actually jumped from a $150 median 13 months ago to $350 in the latest poll.

*Where did you buy your last car stereo?**

	Aug. '84	Sept. '85	% change
Discount store	8.8%	15.2%	+ 73
Sears, Penney, Ward	8.8	8.4	– 5
Department store	1.3	4.5	+246
Catalog showroom	2.5	2.2	– 12
A-V specialist	45.3	38.2	– 16
Car audio specialist	13.8	17.4	+ 26
Other	19.5	14.1	– 28

*Market share by units
Source: Chain Store Age/Lee J. Shapiro & Associates

Better sound is what consumers in the survey say they want in a new auto stereo system. Also an important feature: the ability to play cassette tapes.

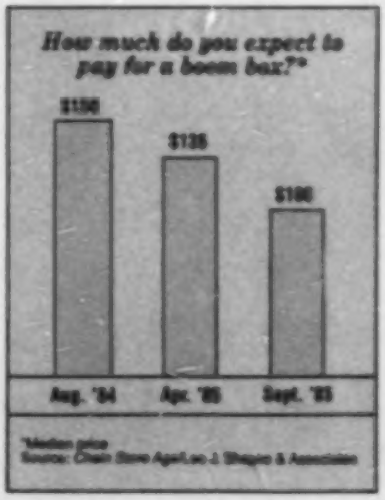
Price and discount are the most important criteria consumers use in choosing a store to shop for an auto sound system. But selection, guarantee and past satisfaction prove more important to consumers choosing an outlet for a car stereo than when selecting an outlet to buy other electronics products. □

Discounters get a handle on boom boxes

General merchandise chains have strengthened their hold on the boom box market, making it one of the few electronics categories GM'ers own more than half of unit sales.

According to MarkeTrends research, discount outlets sold 23.6% of boom boxes in the last year, with K mart alone selling 6.1% of the total. Sears, Penney and Ward combined to take a 21.1% share, while full-line department stores took another 10.9% of unit sales. Catalog showrooms sold another 8.9% of boom boxes in the last year, according to the survey.

Along with the shift of share into general merchandise chains has come a dramatic drop in consumer price expectations. In August 1984 those intending to buy a boom box anticipated paying a median $150 for their new portable stereo. By the April 1985 poll, consumer price expectations had dropped to $135. In the most recent survey, those interviewed anticipate paying only $100.



Just who is buying boom boxes has also changed. The latest MarkeTrends survey reveals that, unlike most electronics products, the group who may buy or have already bought a portable stereo is nearly equally divided between men (50.8%) and women (49.2%).

Retailers attribute the relatively high number of female boom box shoppers to the introduction of slimline and colorful models. To satisfy the needs of female shoppers, retailers say they are adding anywhere from three to six sku's of the colorful and compact boxes to the average mix of 20 units. The demand for these models has been especially strong on both coasts (Caldor has sold colored boxes for two years) and is now spreading to all markets.

Panasonic and Sony are the brands most frequently cited by consumers, followed by name brand (not specific), General Electric, store brands, and Zenith. □

Not enough CD players around?

Will there be a shortage of compact disc players this Christmas? According to *Chain Store Age* MarkeTrends research, an estimated 1.5 million households report they might buy a CD player within the next year. Of those, a whopping 600,000 households say that they have done some shopping in the last 30 days.

More people have been shopping for a CD player in the last month, says the study, than have been shopping for either personal headphone stereos or boom boxes. Also, the number actively shopping nearly equals those in the market for car stereos, telephone answering machines and stereo systems.

How much do you expect to pay for a CD player?*

Under $250	6.1%
$250-$299	13.1%
$300-$349	25.5%
$350-$399	21.3%
$400 and over	28.5%

*Asked of those who might buy in the next year.
Source: Chain Store Age/Lee J. Shapiro & Associates

If consumers turn their interest in buying a CD player into actual purchases at the same pace, the industry may be hard pressed to supply the demand. A shortage could restore margins slashed in this year's flurry of price promotions.

The price consumers expect to pay for a CD player continues to drop. In the most recent MarkeTrends poll, the median amount consumers expect to pay is $350. This compares to the $400 they anticipated spending six months ago, and the $510 average a year ago.

Audio and electronic specialty stores capture the largest market share in units sold, but the MarkeTrends survey reveals a surprising candidate in second place. More consumers report having bought a CD player at Sears than at department stores and discounters combined.

Sony maintains its lead as the brand most desired by those who say they might buy a CD player in the next year, followed by name brand (not specific), Panasonic, Sanyo, Fisher and Kenwood. □

Thinking like a retailer

There is currently a popular syndicated television program called *Fight Back!* which is designed to appeal to the gadfly lurking in all of us. The host of the show examines manufacturer claims and then challenges manufacturers when something goes wrong with their products. Sometimes I find myself doing just that.

Here is what happened not long ago. When I disconnected the headset from my telephone (do not ask me why I did it, consumers do many things never intended by the manufacturer), I discovered that I had also inadvertently erased all the numbers stored in the phone's auto-dialer memory.

No problem. I figured I would just re-enter the numbers, and once again I would be happily dialing away. I thought I remembered the procedure for entering numbers into the auto-dialer. I tried, and as it turns out I did not remember correctly.

No problem. I figured that I would find the instructions somewhere on the telephone itself. They were not there.

No problem. The manufacturer must have a consumer hotline number listed on the phone. I looked. It was not there.

No problem. I would be seeing the company's president in a few days. I would ask him for some help. He was quite gracious.

"Did you save the instructions that were packed in the box when you bought the phone?" he asked. I had to admit that I had not, or if I had, they were now hopelessly lost in the bottom of a drawer.

He thought for a moment. "Well, then," he said, "you could have called us." I complained that no telephone number was listed on the phone.

"Our address was listed," he said. "You could have looked up our number in the book or called directory assistance."

I was flabbergasted. By now the president had transferred all *of his* and *his company's* responsibility onto me, the consumer. It was a little like the doctor blaming the patient for being sick.

What happened here was that the manufacturer was caught thinking, well, like a manufacturer. He had built a reasonably good product and had forgotten that his responsibilities went any further.

In contrast, last month when I talked to Radio Shack's vp merchandising Bob Miller about a new product introduction, he was proud of the way the Tandy company had thought out potential problems ahead of time. "We thought this one out like a retailer, not like a manufacturer," he boasted.

And that is precisely the point. Simply put, manufacturers have to make a greater effort to think like retailers. Building a quality product is just not enough.

Retailers hear the lion's share of consumer questions and complaints. More often than not, it is the merchant who takes the heat when a customer is dissatisfied with a product.

Maybe if the telephone manufacturer in the story above had thought more like a retailer, then my dissatisfaction could have been easily avoided. On the other hand, maybe if the retailer who sold me the telephone had thought more like a consumer, he would have suggested some changes before he bought the product in the first place.

What we all need to remember is that it is still a three-way street: vendor, retailer, consumer. And catering to the needs of the last part of the equation—the consumer—always was and always will be the key to success.

—Rick Gallagher

not require a sale to spur movement. "About 90% of our housewares volume is usually done at sale prices . . . only 10% of this volume [cooking school related goods] is generated at reduced prices."

Paul Benyak, J. C. Penney's retail marketing manager for home furnishings, adds that Penney's 9,000 yearly microwave cookware classes usually result in additional microwave accessory sales of $70 per student.

The down side: Cooking schools can produce too much red ink for some retailers to bear. Rich's in Atlanta, for instance, recently shuttered its cooking school in order to devote the space to other ventures, says a representative of the store.

Indeed, the space needed to successfully stock a school can be prohibitive. The Home Market, a specialty chain in New York and New Jersey, recently switched from a full cooking school to occasional demonstrations because of a lack of space.

Then there are start-up costs, industry experts add, that range from $5,000 for a small school to $40,000 for a fully stocked operation.

***Students at La Belle Pomme** get to sample while learning to prepare dishes.*

"You have to realize that most merchants look at those costs and realize they will not have any concrete proof they are getting any return," says one observer.

In most cases, cooking school success can not be duplicated in suburban units so the costs are not spread throughout a chain.

Are the schools worth the expense?: That depends, like any other retailing venture, on the store's commitment to the concept. When executed properly, cooking schools can supply the prestige and image needed to keep shoppers coming to department stores. □

Clocks: Fashionable or functional?

Retailers have a problem with merchandising clocks: Stick with the old, or chime in the new?

At Chicago's Carson Pirie Scott's Level 6 housewares department, European-inspired clocks are given a prominent fashion presentation on hanging grid displays.

In contrast, the clock section at Gottschalk's in Fresno, Calif., is a perfect example of a tightly merchandised array of traditional travel, wall and anniversary clocks.

These examples highlight the two paths retailers are taking to preserve volume in the mature, 32-million-unit (estimated $800 million) clock category. Indeed, the dilemma facing today's retailer is whether to venture deeper into the new fashions or stick with the proven sku's.

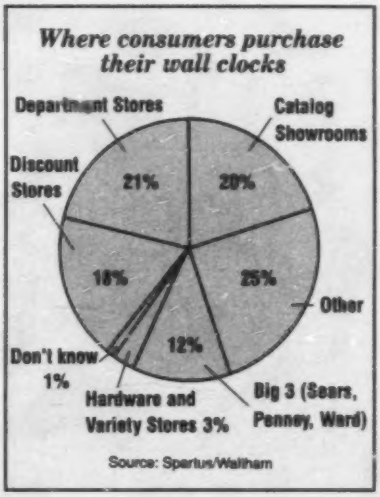
For many, the move to contemporary clocks represents the only way to squeeze greater sales out of the stagnant category. The introduction of contemporary styles—Memphis-inspired, grid patterns, metallics, updated schoolhouse and bright colors—is really the only new trend to hit the category since quartz technology emerged a few years ago.

Bill Vogt, president of Springfield Instrument (a division of Sunbeam), believes contemporary clocks will stir up sales in late 1985 and early 1986. "Our lines will be about 50% contemporary," Vogt predicts. "Those who do not go that way are sitting ducks."

But the gamble, according to retailers, is determining how much more space the clock department can support in order to carve out room for additional sku's.

In order to make a strong fashion statement, buyers say, they must carry at least 36 sku's. Despite clock margins as high as 45%, some retailers do not think the returns per square foot warrant that much space.

Are sales heating up? "It has not been the most exciting business out there," says a K mart source flatly. Adds Herb Cheng, president of Equity Industries, "Business for the first six months has been disappointing."



Cheng believes, however, retailers have now worked their way through excessive inventories stored since 1984 and are ready to gear up for a zesty Yule. Recent research by *Chain Store Age*/Leo J. Shapiro & Associates supports his view. Intentions-to-buy a clock within the next 12 months among the households surveyed increased from 2.6% in August, to 3.4% in September. This is the highest in-

tention-to-buy response registered for clocks since early 1985.

"We are definitely seeing a surge of interest at the buyer's level," confirms Charles Kriete, general manager marketing for Seiko. "It is exciting again."

What has made the market vibrant is a rekindled commitment on the retailers part to pursue the business. Bullock's, J. W. Robinson, Lechmere, Caldor, and Best head the list of retailers putting a greater emphasis on the category by creating full line departments.

"This helps," says Anthony Rodriguez, vp and general manager for Bulova Clocks Division, "because clocks don't have an identity. They are an impulse item and have to be displayed or sales get lost."

The desire to inspire more impulse and gift purchasing of clocks was behind Sears' relocation of clocks from a small stand near jewelry, to its own area near housewares in Stores of the Future, confirms a Sears spokesman.

Getting clocks into other rooms: These efforts should help convince consumers they need clocks in rooms other than the kitchen or bedroom. Kitchen models, however, remain the top movers.

Research from Spartus Corporation shows that 77% of all clock placement in the home is in the kitchen. The survey, of over 1,000 households, reveals that the average home has 2.1 clocks (not including mantel, alarm or grandfather versions).

According to Marvin Feig, vp sales and marketing of Spartus, the research hammers home the importance of fashion models. In the study, styling was the most highly rated attribute in purchasing a clock. Styling outscored quality, price and brand name.

Yet there is another side to the clock story: Retailers, particularly those in Midwest markets, are not convinced their customers will opt for styling over function. Denise Dickmann, a spokesman of Indianapolis-based Danners, for example, says her chain's 3-D discount stores fare better with a basic traditional assortment.

A buyer for Rocky Hill, Conn.-based Ames agrees. Ames sticks with a basic selection from Elgin, Spartus and New Haven. Clocks, the buyer adds, are often promoted at Ames at price points under $20.

Adds another source, "Our customers just are not ready for a clock without hands or numbers—who can tell what time it is?"

Many say they believe most homes are still decorated in traditional, Early American styles. Research from Spartus, however, reveals that consumers are almost equally split between Early American/Colonial looks and contemporary. Forty per cent of those surveyed said their living rooms were decorated in Early American; 38% indicated their decor was contemporary or modern.

Still, some retailers would rather devote time to more productive areas. Concludes Lamston's Sally Mogaverao, "It just is not that big of a business for us." □

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Housewares sales look crisp for fall

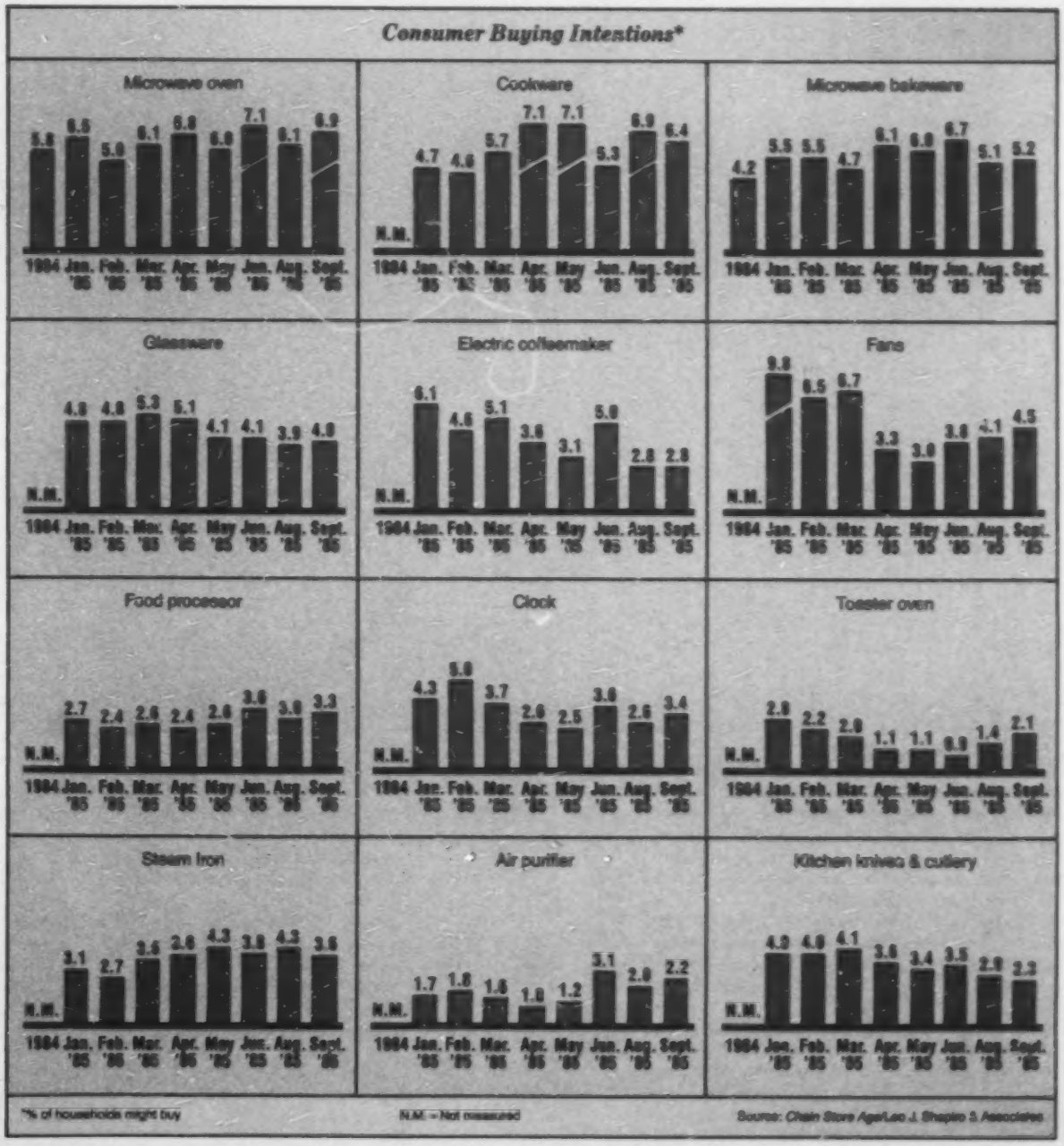
September brings good news to the housewares industry. After a sluggish summer, housewares sales should start perking up in the fall, according to the latest intention-to-buy figures gathered by *Chain Store Age*/Leo J. Shapiro & Associates.

Eight of 12 tracked categories showed an increase in intent-to-buy. This is a notable contrast from last month when seven classifications exhibited a decline.

This month, only three areas—cookware, steam irons, kitchen cutlery—showed a downturn in buying intentions. Plans for purchasing an electric coffeemaker proved the same as last month's survey.

Microwave ovens remain high on shopper's lists with 6.9% of the households interviewed expressing an interest in buying one. Other strong growth categories, according to MarkeTrends, include clocks and toaster ovens. Retailers welcome the news that shoppers are still in the market for toaster ovens—despite the overwhelming popularity of microwave ovens.

The category showing the greatest decline in intent-to-buy is kitchen knives or cutlery. Retailers attribute this to their new strategies designed to move away from price promotions in favor of sales generated via cutlery demonstrations.


Consumer Buying Intentions*
Microwave oven
5.8 6.5 5.0 6.1 6.8 6.0 7.1 6.1 6.9
Cookware
N.M. 4.7 4.6 5.7 7.1 7.1 5.3 6.9 6.4
Microwave bakeware
4.2 5.5 5.5 4.7 6.1 6.8 6.7 5.1 5.2
Glassware
N.M. 4.8 4.8 5.3 5.1 4.1 4.1 3.9 4.8
Electric coffeemaker
N.M. 6.1 4.6 5.1 3.6 3.1 5.0 2.8 2.8
Fans
N.M. 9.8 6.5 6.7 3.3 3.0 3.8 4.1 4.5
Food processor
N.M. 2.7 2.4 2.6 2.4 2.6 3.6 3.0 3.3
Clock
N.M. 4.3 5.0 3.7 2.6 2.5 3.6 2.6 3.4
Toaster oven
N.M. 2.8 2.2 2.0 1.1 1.1 0.9 1.4 2.1
Steam Iron
N.M. 3.1 2.7 3.5 3.8 4.3 3.8 4.3 3.6
Air purifier
N.M. 1.7 1.8 1.6 1.0 1.2 3.1 2.0 2.2
Kitchen knives & cutlery
N.M. 4.0 4.0 4.1 3.6 3.4 3.5 2.9 2.3
1984 Jan. '85 Feb. '85 Mar. '85 Apr. '85 May '85 Jun. '85 Aug. '85 Sept. '85
*% of households might buy
N.M. = Not measured
Source: Chain Store Age/Leo J. Shapiro & Associates

Glassware shoppers turning fickle

Consumers are becoming more concerned with price in the glassware category.

Consumers in the market for glassware keep retailers guessing. In the most recent MarkeTrends research from *Chain Store Age*/Leo J. Shapiro & Associates, a significant portion of glassware shoppers were planning to spend under $10.

This is a contrast to the last time MarkeTrends tracked the category in April. At that time, shoppers were more willing to trade up, and 31.2% indicated they planned to spend between $11 and $35.

What brand of glassware would you buy?*

Libbey	22.2%
Store brand	18.5%
Waterford	5.6%
Anchor Hocking	1.9%
Lenox	1.9%
Princess House	1.9%
Other	48%

*Based on all who mentioned a brand
Source: *Chain Store Age*/Leo J. Shapiro & Associates

Now that customers are becoming more concerned with price in this category, discounters are gaining favor as the outlet these customers think of when they plan to purchase glassware.

In the research, 38.4% indicated plans to buy at a discount store. That is up from 31% in the April research. Department stores are the next most popular outlets, the shoppers report, followed by the Big 3: Sears, J. C. Penney and Montgomery Ward.

Although glassware sets continue to be popular, most households questioned by *CSA* (66.7%) prefer to buy individual pieces. This helps fuel the need for programs such as Anchor Hocking's new Beverageware System. It also proves that discounters are on track with moves to upgrade departments to include open stock. □

Cutlery sharpest on special occasions

With the decline of the nightly family dinner gathering has come a decrease in the number of roasts and turkeys sold yearly. That signals bad news for the cutlery business, according to *Chain Store Age* MarkeTrends research, because many consumers equate the importance of cutlery with carving meat and poultry.

In fact, a sampling of a group of the households interviewed about cutlery found that 82% of them see the need for a good kitchen knife for ceremonial functions rather than daily tasks. What this suggests to retailers is that cutlery should be featured around the key seasonal events of the year—Easter, Christmas, Thanksgiving and Passover.

Despite the consumer's view that cutlery is reserved for family occasions, shoppers do rate knives as one of their most important pieces of kitchen equipment. Four out of 10 rate it a "9" on a scale of "9 to 1" where "9" is highest.

If you decided to buy cutlery, which store would you be most likely to shop?

Discount	27.9%
Big 3	26.5%
Department store	19.1%
Catalog showroom	10.3%
Other	16.2%

Source: *Chain Store Age*/Leo J. Shapiro & Associates

In recent months, retailers have started knife-sharpening promotions to draw customers to the category. MarkeTrends research suggests this is a good strategy. When a sample of consumers was asked what it would take to improve the rating of the knives they owned, almost 25% responded that the blades needed sharpening.

Consumers view quality knives as those from Germany, Switzerland, Sweden, England, France and Yugoslavia. Relatively few rate Japan and the Orient as a good source, and 1 in 6 thinks the best knives are American made.

Surprisingly, more shoppers expressed an interest in individual knives vs. sets. When tracked last April, sets were more popular. This suggests consumers are trading up to better knives. By buying them one at a time, consumers can create their own sets.

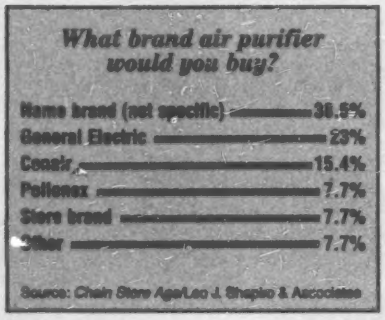
Retailers are anxious to drive up sales of open stock because these items net better gross margins. Buyers would like margins in the 40% to 50% range in cutlery. □

Air purifiers: Still misunderstood?

Air purifiers remain one of the most misunderstood housewares products. Few customers realize the true benefits of the product, and even fewer retailers know how to properly merchandise and promote the classification.

This helps explain why the air purifier category sports such a relatively low intention-to-buy rate. In the most recent survey, only 2.2% of the households contacted expressed an interest in buying one in the next year. In April of 1985, that percentage dipped as low as 1% of those polled.

"About two years ago, the bottom dropped out of the low end of the business," explains Al Scutte, vp Bionaire Corporation. "It was like the faucet was just turned off."


What brand air purifier would you buy?
Name brand (not specific) 38.5%
General Electric 23%
Conair 15.4%
Pollenex 7.7%
Store brand 7.7%
Other 7.7%
Source: Chain Store Age/Leo J. Shapiro & Associates

Although overall business is soft, according to Scutte, the high-end segment is flourishing as a new breed of consumer emerges. This shopper wants the high technology product priced over $100. MarkeTrends supports his view: The most popular price range with consumers was the $100 to $124 group. Scutte sees the category growing more quickly as more states initiate programs to combat cigarette smoke in public spaces.

Other vendors think the retail outlets best poised to garner greater sales are catalog showrooms. In fact, since April when the category was last tracked, catalog showrooms jumped from an 8.1% share to 19%. That was even higher than the 12% of the sample which chose a department store. Discounters, however, are the preferred outlet with 40.5% of the sample thinking of a discounter when in the market for an air purifier. □

Where is home health care headed?

The abundance of suppliers in the home health care fray is causing a shakeout of resources. In fact, most industry experts expect to see only three or four major companies left standing at the close of 1985.

During this shakeout, retailers are taking a closer look at the classification to decide whether it is worth carrying. To date, sales of blood pressure monitors, digital thermometers and scales have not met with initial retailer projections.

Retailers have wrestled with several nagging problems. Most buyers cannot decide where to merchandise the goods or how to promote them. To make matters worse, retailers were hit with a flood of inferior goods that caused them (and consumers) to cast a leery eye at the business.

Despite the skepticism, a spot check of buyers and suppliers suggests the category still has a place on retailers' shelves.

Jerry Baker at Lumiscope says blood pressure monitors are going to be a 2.2 million to 2.3 million unit business this year, or about $100 million to $125 million at retail. That is up only slightly over last year, but still a "hefty chunk" of volume. The explosive growth, he adds, will come from digital thermometers. Now that these items are priced under $10, Baker expects the market to balloon from one million units to four million per year.

The home health care business is not for everyone. Department stores (with the exception of Bamberger's), for instance, are not suited to sell the category. "Even with advertising," claims Baker, "department stores don't seem to cut it."

Many industry sources have always figured chain drug stores were the best location for home health care. But even some drug chains have found it tough going—particularly if the goods are hidden behind the counter. The most successful outlets appear to be those willing to promote. For example, suppliers applaud the business built up by catalog showrooms, specialty stores (Lechmere takes top honors, suppliers say) and sporting goods outlets.

This suggests that discounters can tap into the business. "Sure, there are guys who are gun shy and not willing to stock up," says Glen Weinberg, manager medical products for Sharp. "But if a discounter gets behind it and promotes it . . . the products will move."

Many point to K mart as a prime example of a retailer going after the business. In order to generate greater sales out of the category, K mart has devised a new pilfer-resistant fixture. The fixture will allow K mart to trade customers up. K mart may promote the category for the first time next year.

Home health care suppliers offer these suggestions for those who want to make a pitch for the home health care business:

Promote, promote, promote: Bob Gaines at Norelco says customers cannot buy the items if they do not know you have them. He suggests educational promotions instead of price advertising.

Cross merchandise: "I'd put digital thermometers with the baby department," says Sharp's Weinberg.

Select key resources: With new companies entering and exiting the business almost daily, buyers need to stick with reliable sources. They also need to learn from vendors. For example, a current debate today is whether oscillametric blood pressure monitor (with built-in microphone used to measure blood pumping through veins) is better than the standard microphone model.

Faye Brookman

Merchants are showcasing fancy and funky gift wrapping to take advantage of recent consumer fascination with packaging. Price seems of little object to this shopper.

Gift wrap goes for the glitter

Today's consumers put as much effort into selecting gift wrap as they do in choosing the actual gift the paper is purchased to cover.

That explains why retailers are creating new and splashy wrap displays. For example:

- Caldor's senior buyer Lester Schwartz plans to add posh mylar ($2.99 retail per roll) Christmas gift wrap to his mix this year;
- Carson Pirie Scott has made funky wraps a highlight of its chic new 4,500-sq.-ft. Arcadia stationery/gift department;
- And Dayton Hudson has developed a series of strong gift wrap "themes" displayed in its innovative 700 Under The Mall department.

These are strategies retailers are using in the estimated $600 million gift wrap business in order to serve the needs of a changing consumer. The move to upgraded paper has helped stem the influx of inferior, often imported products. Instead, shoppers want high quality, usually coordinated styles.

"I'd say the single greatest trend in this business has become the move to themes in wrap," says Schwartz. "The majority of our business—probably 70% or 80%—is now done in themes."

Theme wrap includes anything from Victorian looks (big for 1985, retailers say) to funky metallics and stripes. Licenses, too, are considered themes but with the exception of the good old standby Mickey Mouse, retailers plan to steer clear of licensed wrap for 1985.

Instead, the emphasis will be on wrap which reflects the thought put into the purchase. "Wrap has become another social expression of having good taste," says Sheldon Babyatsky, vp sales and marketing for the Stephen Lawrence Co., a leading supplier to department and specialty retailers.

Babyatsky explains that the better taste of today's shoppers has resulted in escalating sales of designer wraps and a new laminated wrap called the Euro-bag. B. Altman, Bloomingdale's, The May Co. and The Broadway head the list of retailers adding these styles to the expanding mix.

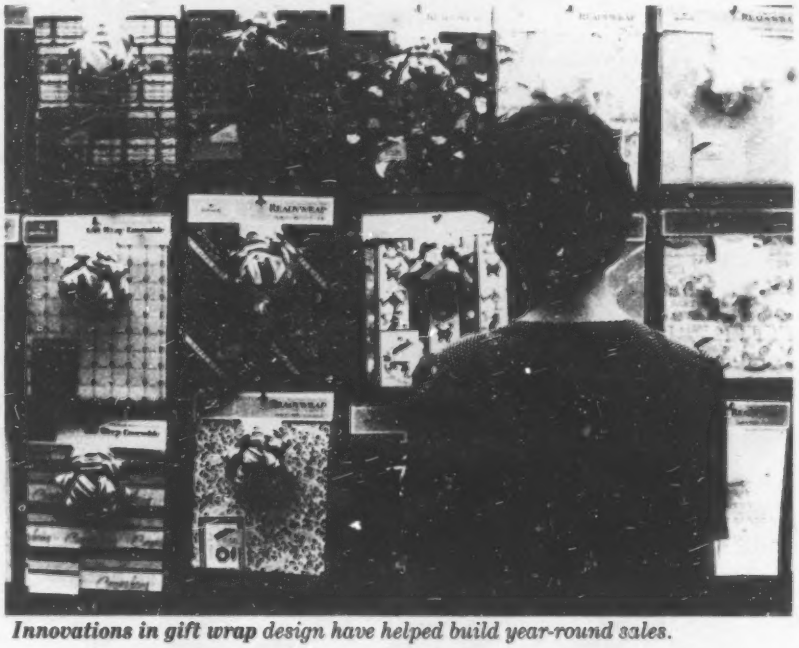
On the mass market side, Ambassador Cards has debuted its own version of wrap aimed for the new breed of shopper.

According to Karla Ross, Ambassador product manager, new formats like handle bags and gift bags are catching on.

"It's the type of product that today's busy women really look for," she says. The bags are simple to use: The customer simply puts the item in the bag and closes it.

These innovations, says Stewart Levine, vp and gmm at Carsons, have helped build wrap into a year-round business. Mixed in with Arcadia's eclectic mix of edible earrings, whimsical stationery gifts and Swatch accessories, is an abundant supply of wrap. Levine predicts that the department can hit sales of $2 million per year—that, of course, means shoppers will need a great deal of gift wrap.

Babyatsky agrees that the new departments and new products are encouraging better everyday volume. However, he adds, there is no denying that Christmas is the "serious" season. It is estimated that Christmas accounts for 50% to 60% of all wrap sold.

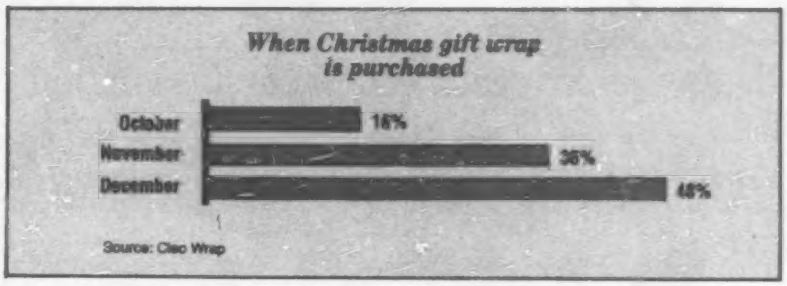


***Innovations in gift wrap** design have helped build year-round sales.*

"Christmas is the make or break season," he says. "That is why the really good retailers break out a separate department at Christmas."

There are fewer days between Thanksgiving and Christmas in 1985, but intrepid retailers are predicting one of the best gift wrap/trim-a-tree seasons to date. They believe their hard efforts will pay off.

"Christmas this year will be our most magnificent," says Schwartz. "Customers will have a variety of themes to choose from." Wrap will make its debut in the Caldor stores right after Labor Day, he notes.



Recent research from Cleo Wrap (a division of Gibson Greeting Cards) shows that customers do indeed want a wide variety of wrap to choose from at Christmas. Seventy-five per cent of the respondents say they like to see a variety of designs, and 65% indicated coordinated items as "very important."

Will consumers cut back on wrap if the economy is sour? No way, says the study. The majority, 81%, said they would not cut back on gift giving during a recession. Naturally, a Gibson representative adds, that means they would still buy wrap.

"It is funny," adds Babyatsky, "In times of poor economy, people actually buy better paper."

The Cleo study revealed that 78% of the respondents attempt to buy enough wrap in a single purchase to accommodate their needs for the season. But in actual practice, the survey adds, 94% of consumers say they make between one and four purchases.

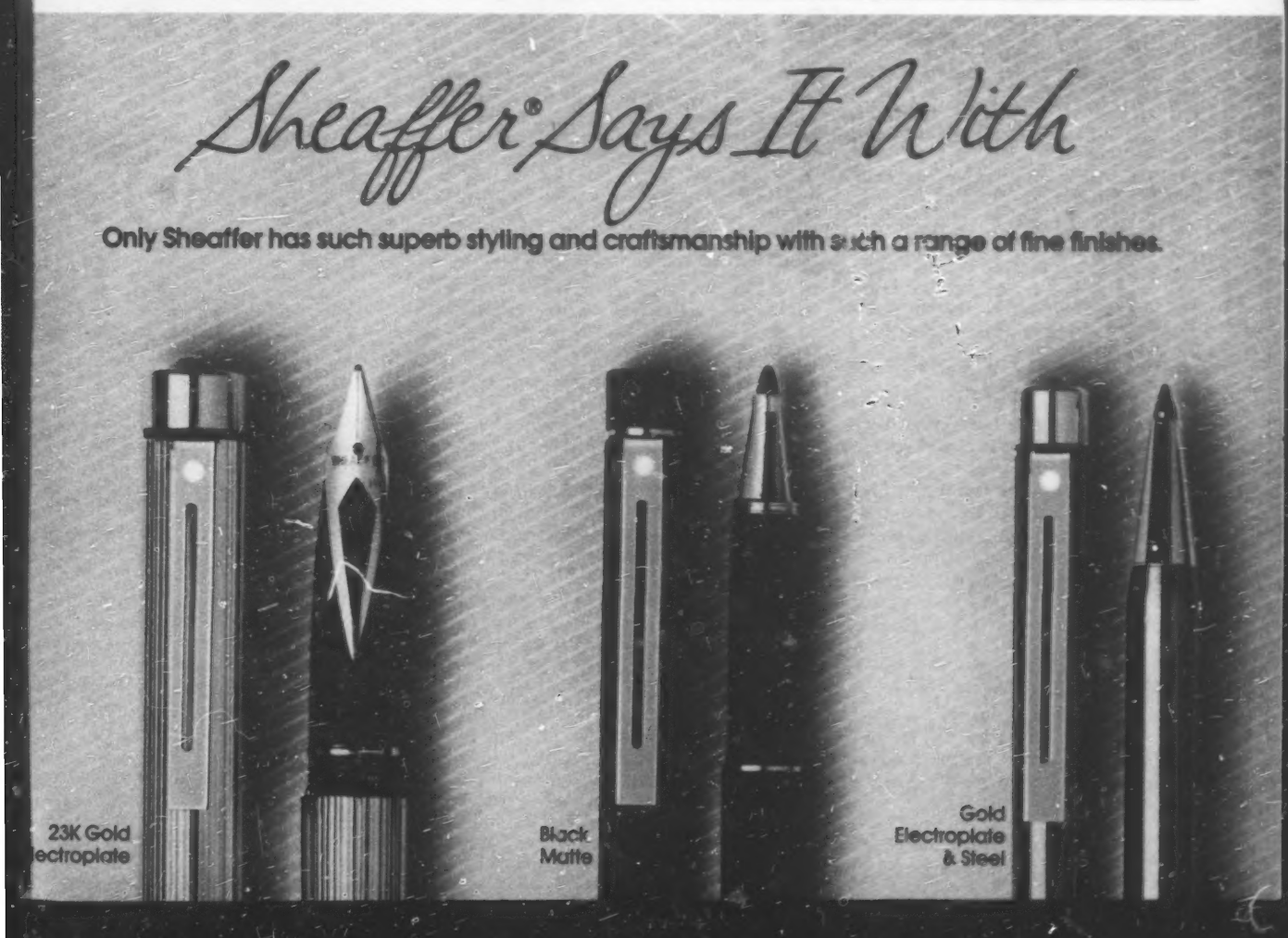
Says Don Ramier, Cleo's general manager marketing, "Consumers often run out of Christmas gift wrap and accessories and make additional purchases."

Schwartz at Caldor agrees. "We see steady movement throughout the entire season." The Cleo study's breakdown of sales by months: 16% in October, 36% in November, 48% in December.

This year, retailers say they plan to create the most hoopla ever in wrap. A buyer for Bloomingdale's in New York, for example, says a great portion of the flagship store's sixth floor will be devoted to trendy cards and matching wrap. Some of the sku's will be wrap and cards designed especially for Bloomingdale's.

K mart, Jamesway and Caldor sources also anticipate dynamic displays. "The whole idea," says one buyer, "is to be the first to show customers you have the selection they want."

According to the Cleo findings, that first impact is certainly important. "For retailers to maximize their opportunity, they need to be ready early in the season to capture that important initial purchase," advises Ramier. "The first and major purchasing decision will be made in an outlet that carries a wide variety of design and coordinated accessories in an attractive, orderly display." □

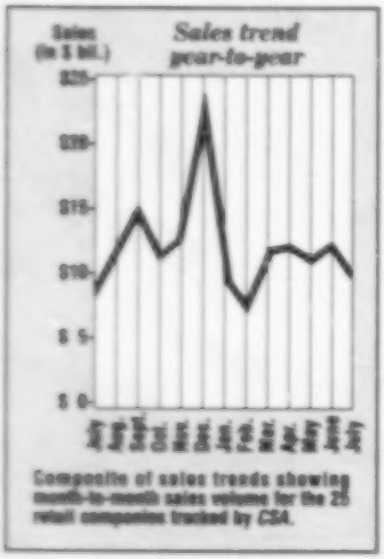


Lackluster sales stir retailers' fears

July did not produce the robust gains retailers had hoped for as many chains logged their fourth consecutive month of sluggish sales.

Sales for the 26 chains tracked by *Chain Store Age* rose 7.5% over June. Volume for the first six months of the fiscal year edged ahead 7.9%.

Although the July increase exceeds the meager 5.5% posted in June, it is still far behind the 11.7% retailers enjoyed during July 1984.



Composite of sales trends showing month-to-month sales volume for the 26 retail companies tracked by *CSA*.

The difficult retail environment has many chains worried over the upcoming back-to-school and fall selling seasons. Research from The Conference Board substantiates the worries.

"Consumers' spirits, like the economy, appear to be subdued," says The Conference Board's director, Fabian Linden.

The Consumer Confidence Index, however, did advance one point in July over June. The Buying Plans Index fell to 88.9, from 107.6 in June.

Sears, Penney and Ward all posted a decrease in sales during July. Ward sales dropped 5.3%.

During July, Ward announced it would shutter its catalog division. Ward's results no longer include volume for the catalog division or the 18 Jefferson Ward units sold to Bradlees.

Sears' sales dropped 0.3% for the month and 0.2% for the first six months of the current fiscal year. Volume at Penney declined 0.6%.

Bentonville, Ark.-based Wal-Mart was unfazed by overall lackluster volume. Its sale increased 34.7% overall and 12% in seasoned stores.

But most retailers did not fare as well. K mart posted only a 4.5% increase, R. H. Macy's a 3.7% hike and Jamesway showed a decline of 3%.

"The retail sales environment continues to be difficult with customers reluctant to assume more debt," says Philip M. Hawley, chairman and ceo of Carter Hawley Hale.

Because sales in both June and July have been weak, most large retailers, analysts say, will show profit declines for their fiscal second quarter.

No sizzle in July sales

		July sales*		Stores		6-mo. sales*		
Major chains	% change	1985	1984	1985	1984	1985	1984	% change
Sears[1]	– 0.3	1,716,950	1,722,621	796	806	10,831,729	10,807,867	– 0.2
Penney[2]	– 0.6	803,000	808,000	1,986	2,010	5,352,000	5,325,000	+ 0.5
Ward[3]	– 5.3	318,405	335,292	319	323	2,044,891	2,111,496	– 3.2
Federated[4,7]	+ 8.0	492,800	456,400	469	463	3,547,300	3,334,100	+ 6.4
Dayton Hudson[7]	+ 21.2	560,298	462,397	1,168	1,116	3,677,620	3,193,884	+ 15.1
May Dept. Stores	+ 10.6	308,400	278,700	1,967	1,655	2,208,600	1,989,800	+ 11.0
R. H. Macy	+ 3.7	234,000	225,700	96	94	1,901,400	1,827,800	+ 4.0
Associated Dry Goods	+ 11.7	249,300	223,200	N/A	N/A	1,883,000	1,719,000	+ 10.1
Allied Stores	+ 6.7	234,300	219,500	627	585	1,771,800	1,714,600	+ 3.3
Carter Hawley Hale[7]	+ 12.7	249,500	221,400	283	254	1,710,500	1,542,400	+ 10.9
Mercantile	+ 11.6	121,704	109,035	79	79	807,410	723,642	+ 11.6
K mart[5]	+ 4.5	1,521,951	1,456,318	2,173	2,160	10,455,900	9,347,014	+ 11.9
Wal-Mart	+ 34.7	640,000	475,000	804	684	3,590,000	2,743,000	+ 30.8
Woolworth[6]	+ 5.3	235,600	223,800	N/A	N/A	1,643,600	1,526,700	+ 7.6
Household Merch.[1,7]	+ 3.1	397,475	385,489	3,572	3,701	2,629,781	2,517,785	+ 4.4
T.G. & Y.	+ 0.4	132,828	132,257	737	766	2,030,704	1,960,213	+ 3.6
Zayre[8]	+ 17.9	238,881	202,630	911	793	1,634,758	1,361,353	+ 20.1
Bradlees	+ 5.5	96,000	91,000	150	128	622,000	583,000	+ 6.7
Dunn's	+ 3.4	64,852	62,730	199	191	445,310	410,802	+ 8.4
Ames	+ 104.7	104,600	51,100	565	N/A	509,700	352,100	+ 44.8
Jamesway	– 3.0	32,090	33,105	85	79	226,610	201,906	+ 12.2
Heck's	+ 15.6	37,700	32,600	127	122	230,200	214,300	+ 7.4
Melville[7]	+ 9.0	296,553	271,889	5,427	5,704	2,133,253	1,922,244	+ 11.0
Tandy	+ 12.2	216,292	192,689	N/A	N/A	1,295,657	1,224,097	+ 5.8
Edison Bros.	– 3.1	59,100	57,300	N/A	N/A	447,300	468,700	– 4.8
The Gap	+ 17.6	38,000	32,300	640	583	236,500	205,200	+ 15.2
Circuit City	+ 33.1	49,900	37,500	97	N/A	260,600	190,500	+ 36.8
Total & Averages	+ 7.5	9,317,643	8,667,695	—	—	62,097,419	57,549,310	+ 7.9

*000 omitted. N.C. = no change. N/A = not available.
[1]Store number for full-line outlets only. [2]Includes 2,651 franchise stores (vs. 2,755 a year ago). [3]Includes T.G. & Y. sales. [4]Includes 326 Zayre stores (vs. 279 a year ago), 417 Hit or Miss stores (vs. 379) and 168 T. J. Maxx stores (vs. 135). [5]Excludes supermarket sales. [6]Store count is for K mart stores only. [7]Continuing operations only. [8]Domestic operations only.

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